



House of Representatives

General Assembly

File No. 341

January Session, 2019

Substitute House Bill No. 7088

House of Representatives, April 3, 2019

The Committee on Higher Education and Employment Advancement reported through REP. HADDAD of the 54th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING PROGRAM APPROVAL AT INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (l) of section 10a-34 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2019*):

4 (l) Notwithstanding the provisions of subsections (b) to (j),
5 inclusive, of this section and subject to the authority of the State Board
6 of Education to regulate teacher education programs, [up to twelve
7 new programs of higher learning in any academic year and any
8 program modifications proposed by] an independent institution of
9 higher education, as defined in section 10a-173, shall not be [subject to
10 approval] required to apply for licensure of new programs of higher
11 learning or approval of program modifications by the Office of Higher
12 Education, [until July 1, 2020,] provided (1) the institution maintains
13 eligibility to participate in financial aid programs governed by Title IV,

14 Part B of the Higher Education Act of 1965, as amended from time to
15 time, (2) the United States Department of Education has not
16 determined that the institution has a financial responsibility score that
17 is less than 1.5 for the most recent fiscal year for which the data
18 necessary for determining the score is available, and (3) the institution
19 has been located in the state and accredited as a degree-granting
20 institution in good standing for ten years or more by a regional
21 accrediting association recognized by the Secretary of the United States
22 Department of Education and maintains such accreditation status.
23 Each institution that is exempt from program [approval] licensure or
24 approval of program modifications by the Office of Higher Education
25 under this subsection shall file with the office (A) [an application for
26 approval of any new program of higher learning in excess of twelve
27 new programs in any academic year] a new program licensure form, as
28 prescribed by the office, prior to students enrolling in any new
29 program, (B) a program actions form, as [created] prescribed by the
30 office, [prior to students enrolling in any new program of higher
31 learning or] for any existing program subject to a program
32 modification, and (C) not later than July first, and annually thereafter,
33 (i) a list [and brief description of any new programs of higher learning
34 introduced by the institution in the preceding academic year and] of
35 any existing programs of higher learning discontinued by the
36 institution in the preceding academic year, (ii) the institution's current
37 program approval process and all actions of the governing board
38 concerning approval of any new program of higher learning, and (iii)
39 the institution's financial responsibility composite score, as determined
40 by the United States Department of Education, for the most recent
41 fiscal year, [for which the data necessary for determining the score is
42 available] Nothing contained in this subsection shall be construed to
43 exempt an independent institution of higher education from the
44 requirement of applying to the office for relicensure of any new
45 program of higher learning after a period of three years in accordance
46 with section 10a-34-4 of the regulations of Connecticut state agencies
47 or for accreditation of any new program of higher learning in
48 accordance with section 10a-34-5 of the regulations of Connecticut

49 state agencies.

50 Sec. 2. Section 10a-34 of the general statutes is amended by adding
51 subsection (m) as follows (*Effective July 1, 2019*):

52 (NEW) (m) An independent institution of higher education that is
53 exempt from licensure of new programs of higher learning or approval
54 of program modifications pursuant to subsection (l) of this section may
55 have its exempt status suspended for a period of time to be determined
56 by the office, but not to exceed two years, if the institution (1) fails to
57 meet any of the qualifications or filing requirements of said subsection,
58 or (2) discontinues two or more programs of higher learning in an
59 academic year. An institution may apply to the Office of Higher
60 Education to reinstate its exempt status prior to the expiration of the
61 period of time in which such institution's exempt status is suspended
62 in the form and manner prescribed by the office.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019</i>	10a-34(l)
Sec. 2	<i>July 1, 2019</i>	10a-34

HED *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill makes changes to the approval process for various academic programs at independent intuitions of higher education, creates new filing requirements for institutions seeking various types of permanent exemptions, and makes other changes that are procedural in nature and do not result in a fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 7088*****AN ACT CONCERNING PROGRAM APPROVAL AT INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION.*****SUMMARY**

Under current law, independent higher education institutions are exempt until July 1, 2020, from the Office of Higher Education's (OHE's) approval process for (1) up to 12 new academic programs each year and (2) modifications to existing academic programs. (In practice, certain institutions are continuously exempt from this process (see BACKGROUND).) This bill makes the temporary exemption permanent for such institutions' program modifications. For new degree programs, however, it replaces their temporary exemption from OHE approval for up to 12 new programs with a permanent exemption from OHE licensure for an unlimited number of new programs.

For both types of permanent exemptions, the bill maintains the same institutional qualifications as those in current law for the temporary exemptions. Additionally, the bill creates new filing requirements for institutions seeking either type of permanent exemption.

The bill specifies that these two types of exemptions do not exempt independent higher education institutions from (1) re-licensure, which must occur every three years under state regulation, and (2) new program accreditation, also required under state regulation.

Lastly, the bill allows OHE to suspend the exempt status of an independent higher education institution for up to two years for new program licensure or program modification approval if the institution (1) fails to meet the institutional qualifications for the exemption or (2)

discontinues two or more academic programs within an academic year. Under the bill, these institutions may apply to OHE to have their exempt status reinstated.

EFFECTIVE DATE: July 1, 2019

INSTITUTIONAL QUALIFICATIONS

The bill permanently exempts independent higher education institutions from either licensure of new programs, approval of program modifications, or both, only if they meet certain institutional qualifications, which are identical to the qualifications under current law for temporary exemption from approval. These institutional qualifications are as follows:

1. eligible to participate in the Federal Family Education Loan program;
2. a financial responsibility score of 1.5 or greater, as determined by the U.S. Department of Education, for the most recent fiscal year for which data is available (see BACKGROUND); and
3. located in Connecticut and accredited as a degree-granting institution in good standing for at least 10 years by a federally recognized regional accrediting association.

FILING REQUIREMENTS

The bill replaces current filing requirements for institutions seeking exemption from OHE approval with new ones. For institutions seeking exemption from OHE new program licensure, the bill requires them to file a new program licensure form with OHE before students enroll in the new program. OHE prescribes the contents of the licensure form.

By law and under the bill, institutions seeking exemption from OHE program modification approval for an existing program must file a program actions form. OHE prescribes the contents of the program actions form. However, the bill no longer requires such institutions to

file this form prior to students enrolling in the modified program.

Additionally, institutions seeking either type of exemption must annually file, by July 1, a list of any existing programs of higher learning discontinued by the institution in the preceding academic year, as required under current law for temporary exemption from approval. Such institutions no longer must describe in this annual filing, however, any new programs of higher learning introduced in the preceding academic year.

Finally, the bill requires institutions seeking either type of exemption to include in their July 1 annual filing their financial responsibility composite score (see BACKGROUND) for the most recent fiscal year, rather than for the most recent fiscal year for which necessary data is available for score calculation.

BACKGROUND

Independent Institution of Higher Education

By law, an “independent institution of higher education” is a nonprofit higher education institution established in Connecticut that (1) has degree-granting authority, (2) has its main campus in-state, (3) is not included in the Connecticut public higher education system, and (4) is not primarily training students for religious vocation (CGS § 10a-173).

Institutions Currently Exempt

In practice, Connecticut College, Trinity College, Wesleyan University, and Yale University are already exempt from OHE’s program approval authority. These institutions, classified by OHE as national independents, are longstanding institutions that predate the state’s regulation of postsecondary academic programs. Additionally, the institutions’ charters give the schools the power to decide which degrees to confer; no provisions require state approval for additional degrees.

Financial Responsibility Score

According to the U.S. Department of Education, the composite score reflects the overall relative financial health of institutions along a scale from -1 to 3. A score of 1.5 or more indicates that the institution is considered financially responsible.

Related Bill

SB 26, favorably reported by the Higher Education and Employment Advancement Committee, makes permanent the temporary exemption from OHE approval in existing law for program modifications and up to 12 new programs in an academic year offered by certain independent higher education institutions. The bill maintains the provisions that require (1) OHE approval for any new programs beyond 12 and (2) annual filings of program action forms and new program descriptions.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 21 Nay 1 (03/14/2019)